

LOUISIANA SHRIMP HARVESTER ADVISORY PANEL

MINUTES

September 21, 2009

LOUISIANA ROOM
LOUISIANA DEPARTMENT OF WILDLIFE & FISHERIES
2000 QUAIL DRIVE
BATON ROUGE, LOUISIANA

AGENDA

- I. Call to Order
- II. Roll Call
- III. Review Charge to the Advisory Panel from the Shrimp Task Force
- IV. Status Report on the Louisiana Shrimp Task Force
- V. Economic sustainability of the shrimp fishery
 - a. Identification of problems and concerns
 - b. Identify information needs
 - c. Identify possible solutions
 - d. Develop recommendations
- VI. Elect a member to represent the Shrimp Harvester Advisory Panel at Task Force meetings
- VII. Set Next Meeting Date
- VIII. Public Comment

MINUTES OF THE MEETING

OF

THE LOUISIANA SHRIMP HARVESTER ADVISORY PANEL

Monday, September 21, 2009, 9:30 AM

Martin Bourgeois, Louisiana Department of Wildlife & Fisheries, presiding.

Nicholas Alfonso
Ronnie Anderson
Acy Cooper
Bryan Crawford
A.J. Fabre
Pete Gerica
Clint Guidry
Jerome Jones
Scott St. Pierre

Absences:

George Barisich
Tommy Cheramie
Lance Nacio
Timmy Truong

Marty Bourgeois called the meeting to order and acknowledged Representatives Gisclair, Harrison, and Billiot as present. He also noted the attendance of the Plaquemines Parish President Billy Nungesser and Rowdy Gaudet with the Lt. Governor's Office.

Roll was called and four absences were noted.

Marty Bourgeois stated that the Advisory Panel was created to advise the Louisiana Shrimp Task Force and the Panel must elect a representative to serve on the Task Force. He also detailed Governor Jindal's executive order BJ 09-13, which explains the issues the Task Force has been charged to examine.

"Issues the Task Force should examine, but which the Task Force is not limited to, are: the effect of the current global economic slowdown on local markets; the impact of foreign produced shrimp on domestic markets, and ways to improve demand for domestic produced shrimp; the health and safety concerns of foreign produced shrimp; and the various possibilities to increase the marketing and promotion of Louisiana shrimp."

Marty Bourgeois introduced Karen Foote from LDWF who assisted in facilitating the meeting.

Randy Pausina thanked all attendees for their presence. He said that the state has woken up to the issues of the shrimp industry but that the Panel must stay on task and stick together. Randy Pausina asked the members of the Panel to take turns speaking and be sure to state their names. He also noted that the representative elected by the Panel to serve on the Louisiana Shrimp Task Force will be a voting member.

Courtney Jackson, an attorney with the Louisiana Ethics Board, let the members of the Advisory Panel know that by serving on the Panel they are public servants of the state and may be subject to some of the provisions of the Ethics Board. She explained that members of the Panel are not allowed to accept anything of economic value from persons or entities that may benefit from any actions of the Panel. Members of the Panel and their family members are also prohibited from entering into contracts resulting from actions taken by the Panel. Courtney Jackson also explained that members of the Panel are not subject to financial disclosure simply by serving on the Shrimp Advisory Panel unless the Panel is given at least \$10,000 to disburse. She gave each member of the Panel in attendance a copy of the ethics rules.

Charlie Smith asked Courtney Jackson if she could send a one page memo explaining exactly what the Panel members may and may not do to each of them. He also asked if the members of the Panel are prohibited from selling their products to any state agency, school, or hospital.

Courtney Jackson said that yes, she would send the memo and that no; the Panel members are not prohibited from selling their products to the entities Charlie Smith named.

Ronnie Anderson asked if members of the Panel are allowed to sell their products to members of the Shrimp Processor Advisory Panel.

Courtney Jackson said that should not be a problem.

Clint Guidry asked if the ethics rules really only apply to the Shrimp Task Force members.

Courtney Jackson explained that since the Panel has a government function, they are subject to the Ethics Code.

Pete Gerica asked if the Panel members have to fill out the financial disclosure form.

Courtney Jackson said that if they are only serving on the Advisory Panel they do not have to fill out the financial disclosure paperwork.

Danny Babin asked if the voting member elected to serve on the Task Force will be subject to financial disclosure.

Courtney Jackson explained that such a member would only be subject to financial disclosure if the Task Force has the authority to spend at least \$10,000.

Marty Bourgeois said that the Shrimp Task Force has met twice and that the members of the Advisory Panel may look at the minutes of the previous meetings in the folders in front of them. He added that the Panel should think of today as a brain-storming session.

Karen Foote asked the Panel to try to stay on schedule so the meeting may end at its 11:30 am deadline.

Marty Bourgeois asked the members of the Panel to please speak clearly into their microphones

Clint Guidry circulated and read a five-page detailed list of suggested issues for the Advisory Panel to recommend for action to the Task Force. These issues included an anti-dumping petition, food safety issues at the state and Federal level, shrimp promotion, and short-term relief for the shrimp industry. A complete transcript of Mr. Guidry's list appears below:

IMPORTED SHRIMP

Shrimp Anti-Dumping Petition

Federal Level

U.S. Customs is not collecting all tariff money owed by companies under the A/D Petition orders. The intent of the A/D order was to place extra cost of production on importing companies found guilty of dumping shrimp on U.S. markets thereby allowing U.S. producers to compete on a more equal playing field. Not collecting these tariffs negates intended relief of the trade action.

Countries under the A/D Petition orders are allegedly shipping shrimp through non-tariff countries. (Malaysia, Indonesia, Mexico, etc.) This alleged action defeats the purpose of the A/D order.

Shrimp Task Force (STF) needs to support the renewal of the current Shrimp A/D Petition (A/D Petition comes up for renewal in Feb. of 2010).

STF needs to support efforts for a new World Trade Organization Compliant Byrd Amendment.

Solutions offered by this committee:

STF needs to contact all LA legislators in Washington, DC and urge them to contact U.S. Customs and urge them to collect this money. We should also contact DC legislators in the other domestic shrimp producing states and urge them to do the same.

When contacting DC legislators include asking them to urge US Commerce to investigate and prosecute companies found guilty of shipping through non-tariff countries.

IMPORTED SHRIMP

Food Safety Issues

Federal Level:

Less than 2% of imported shrimp ever gets tested for US banned antibiotics and contaminants (Existing US law).

The imported shrimp product that does test positive for antibiotics and contaminants is put back on the ship and re-enters another US port before the paperwork catches up with it (Port Shopping), enters the US, and is eaten by US consumers.

Enforcement of this one US law (Banned Animal Antibiotics in US Food) could drastically cut down the amount of imported shrimp imported into the US.

Use of US banned antibiotics in foreign shrimp farms allow these producers to produce large amounts of shrimp that could not be produced without them.

Solutions offered by this committee:

Several Food Safety Bills in Wash. That provide more money for inspections directly related to shrimp need our support and needs to be taken a step further to mirror the shrimp import standards of the European Union where the importers have to pay for their product to be inspected and rejected shipments are destroyed, which discourages further shipments of contaminated shrimp. Again we need to urge our DC legislators to support these actions.

Imported Shrimp

All product that can't pass EU standards is currently being dumped on our US market and eaten by US consumers and causes our domestic prices to fall.

Food Safety Issues

State Level:

We need to continue to seek State inspection of imported shrimp coming into the state through LA Dept. of Health and Hospitals empowered by the LA Sanitary Code (RS 40:4, RS 40:5, RS 40:604) and/or pass new legislation allowing the LA Dept. of Agriculture to test seafood products.

With the cooperation of the LA Restaurant Association, we need to pass legislation that requires LA restaurants to post where there shrimp comes from. Lets give LA citizens and tourist guests the option to choose to eat our good LA seafood. (Bills to this end failed in 2004 and again in 2008).

We need to continue to support State efforts to discourage re-boxing of imported shrimp into domestic packaging (A Federal Lacy Act violation) by continuing to work with the LA Attorney General's office to use laws presently in force and create legislation to fill in loopholes in our laws.

SHRIMP PROMOTION

NONE OF THE BELOW CAN WORK UNTILL CONTROL OF ALLEGED RE-BOXING OF IMPORTED SHRIMP INTO DOMESTIC PACKAGING IS ATTAINED.

Obtain money for "Branding" programs (Grants— State/Federal). Branding programs that are set up properly are protected by Federal law (Lanham Act).

Set up a system to monitor and assure any price increases gained by these efforts get passed down to the fishermen.

Obtain money for necessary improvements to allow for packaging facilities.

Seek State and Federal funds for value added processing facilities.

SHORT TERM RELIEF FOR THE SHRIMP INDUSTRY

Katrina/Rita survey disaster program. (Currently in progress, need to speed up award distribution).

Gustav/Ike disaster program. (Currently in progress, need to speed up award distribution).

TAA program under LA Workforce Commission. LSA will work with LWFC to obtain petition for certification of eligibility. Who will handle notification of shrimp industry and distribution of applications?

LA State government needs to take actions that would allow deferment of payments on disaster loans taken out after the hurricanes of 2005 and 2008. (SBA, Small Business Grant Loan Programs).

Motion to bring these issues to the Shrimp Task Force made by Clint Guidry Seconded by A.J. Fabre. Motion carried unanimously.

Pete Gerica said that the testing issue has run into dead ends. He believes that testing may be better than people think and that new ideas are needed. Pete Gerica also stated that he wants workfare not welfare.

Acy Cooper said that the current marketing is not working and a new method must be tried. He stated that fisheries disaster assistance funds should not have gone to the Louisiana Seafood Promotion and Marketing Board (LSPMB) and doesn't want to see any additional disaster assistance funds going to the LSPMB.

Clint Guidry said that the current marketing hasn't worked because it did not have cooperation from the state.

Jerome Jones suggested that Louisiana state agencies should buy only Gulf Shrimp and the other states should do the same. He said that if this was mandated it would be a boost to the industry.

Pete Gerica said that some of the shrimp product cannot be sold to companies with high quality requirements and that if Louisiana shrimp is to fetch higher prices the quality must be improved which starts at the docks.

Ronnie Anderson explained that even one part per billion of chloramphenicol is illegal in US foods and that testing for this or other chemicals would slow down the influx of foreign shrimp into the country.

Marty Bourgeois said that as Dr. Mike Strain explained at the Shrimp Task Force meeting last week, his agency is under a permanent injunction which prohibits his agency from enforcing chloramphenicol testing.

Ronnie Anderson stated that the Louisiana Department of Health and Hospitals (LDHH) has the authority to test shrimp.

Karen Foote stated LDHH will give a report at the next Task Force meeting about this subject.

Clint Guidry said he does not believe a bottom-up strategy will work and suggested a top down approach. He explained that, in his opinion, a better price paid for better shrimp will motivate the fishermen. Clint Guidry also noted that his suggestions are a beginning and that he welcomes and additional ideas.

A.J. Fabre asked about the US Gulf domestic shrimp landings by state. He thought the numbers may be unreliable and wanted to see a report by state of landings of shrimp.

Marty Bourgeois said that we should be able to get that information.

Jerome Jones said that Louisiana shrimp will only be able to compete if we level the playing field. He said that import quotas and cooperatives may help do this.

Scott St. Pierre said that there should be incentives for fishermen, better enforcement of rules and regulations, and improved marketing.

Jerome Jones suggested that cooperatives form that would be fishermen owned and controlled and funded initially with grant money.

Pete Gerica warned that cooperatives can be cut-throat and fail if members turn on one another.

A.J. Fabre asked if some numbers on cooperatives could be brought to the Panel.

Ronnie Anderson said that cooperatives sound good but they take a long time to get going.

Acy Cooper said that to help shrimpers in the short term, state and federal agencies should buy Louisiana shrimp.

Billy Nungesser noted that there is a shrimp processing plant opening up in Empire and that thus far they have \$4 million for it.

A.J. Fabre asked how much the total cost will be for the plant and noted that a large initial investment is needed for such facilities.

Representative Joe Harrison explained that federal authorities have regulations for Louisiana shrimp but not foreign shrimp. He also asked for numbers detailing what the price of shrimp needs to be for shrimpers to make a profit and living.

Clint Guidry answered that there is a study out now, done by the Shrimp Association, detailing the price needed.

A.J. Fabre said that the federal authorities don't seem to be responding despite trips to Washington D.C. He believes the Panel should concentrate on solutions inside Louisiana.

Joe Harrison explained that any focus on Louisiana without federal regulations to back it up will have no teeth.

Scott St. Pierre asked how we can stop Chinese shrimp from entering the country.

Ronnie Anderson said we should force DHH to do testing and make the results public.

Motion made by Ronnie Anderson to urge DHH to increase testing of imported shrimp to the state of Louisiana and urge governor to provide adequate funding and manpower. Seconded by Acy Cooper. Motion carried unanimously.

Motion made by Acy Cooper to sponsor legislation to place the costs of testing imported shrimp on the importing company. Seconded by Clint Guidry. Motion carried unanimously.

Motion made to request Task Force support legislation to put shrimp industry under authority of the Department of Agriculture by Jerome Jones. Seconded by Ronnie Anderson. Motion carried unanimously.

Motion made by Jerome Jones to request the Task Force to consider creation of shrimp cooperatives in the state of Louisiana. Seconded by AJ Fabre. Motion carried unanimously.

Motion made by Bryan Crawford for the State to request assistance from Federal authorities to monitor and investigate the volume and potential health risks of imported shrimp entering the country. Seconded by AJ Fabre . Motion carried unanimously.

Motion made by Ronnie Anderson to ask the Task Force to request legislation bringing US import standards up to EU standards of testing. Seconded by Jerome Jones. Motion carried unanimously.

Motion made by Aey Cooper to ask the Task Force to request amendment of legislation for restaurants to identify country of origin for all imported shrimp and identify whether or not they serve LA shrimp. Seconded by Ronnie Anderson. Motion carried unanimously.

Charlie Smith said that the Governor could issue an executive order for LA entities such as schools and prisons to use only Louisiana shrimp. He asked how such an order could be implemented.

Marla Cooper explained that even when a restaurant gets shrimp that have “Louisiana product” on the box; it may not be a true Louisiana product.

Pete Gerica said that if anything is done to the product in Louisiana, they call it a Louisiana product.

Marla Cooper asked if it was a Federal Trade violation to pass of imported product in this way.

Clint Guidry said that there should be a meeting with the restaurant association.

Charlie Smith said that previously the idea of listing that Louisiana shrimp was used on restaurant menus was balked at by the restaurant association.

Nicholas Alfonso suggested that when the economy goes below a certain point, imports on shrimp should be restricted.

Motion made by Pete Gerica to request for legislation to limit imports when the economic situation lowers prices to unprofitable level for LA shrimpers. Seconded by Nicholas Alfonso. Motion carried unanimously.

A.J. Fabre warned that legislators generally shy away from quotas.

Jerome Jones noted that farmers in the US used to be in a similar situation and they brought their problems to the attention of the public. He suggested that shrimpers could do the same.

A.J. Fabre said he wants to start organizing in Louisiana since repeated efforts at the federal level have not worked.

Nicholas Alfonso pointed out that today’s economy is different.

Scott St. Pierre suggested that Louisiana be the ground floor for a US change.

A.J. Fabre moved to nominate Clint Guidry to serve on the Shrimp Task Force as the representative for the Shrimp Advisory Panel. Seconded by Ronnie Anderson. Motion carried unanimously.

Public Comment

Byron Encalade with Louisiana Association of Cooperatives said he has knowledge about cooperatives and offered to speak to anyone who wanted more information about them. He stated that pointing fingers at other to blame will not make any progress. Byron Encalade said that a cooperative needs to include shrimpers and processors working together to succeed. He also said that, properly constructed, a cooperative cannot be bought out.

A.J. Fabre said the Panel should compare LLCs and cooperatives to see which would work better for the industry.

Motion to adjourn made by Clint Guidry. Seconded by AJ Fabre. Motion carried unanimously.